

IN THE MATTER OF FACT-FINDING

BETWEEN )

CITY OF RED OAK, IOWA, )

PUBLIC EMPLOYER, )

AND )

TEAMSTERS LOCAL 238, )

EMPLOYEE ORGANIZATION. )

HUGH J. PERRY, FACT-FINDER

Recommendation issued

May 15, 2007

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2007 MAY 21 AM 9:44  
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APPEARANCES:

FOR CITY OF RED OAK:

Jack Lipovac, Bargaining Representative

FOR TEAMSTERS LOCAL 238:

Mike Stanfill, Business Representative

INTRODUCTION

Teamsters Local 238 represents a bargaining unit of police employees in the City of Red Oak, Iowa. The parties have arrived at agreement on all impasse issues for the contract dating from July 1, 2007 to June 30, 2008 except for Wages. They have agreed to extend the impasse time lines to allow for completion of the process prior to July 1, 2007. They engage statutory fact-finding to resolve the wage issue. A hearing was held on May 4, 2007 at the City Hall in Red Oak. Following the presentation of testimony, exhibits and arguments, the hearing was closed on that date. In making the recommendation which follows, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

BACKGROUND

The City of Red Oak, population 6,197, is located in southwest Iowa. Teamsters Local 238 represents a bargaining unit of its police employees, including patrolmen (2), senior patrolmen (2), master patrolmen (2), sergeants (3), investigator (1) and records employees (2). Local 238 has represented these employees since 1985. Originally, dispatchers were included in the unit, but are

now employed by Montgomery County. The secondary roads employees in Montgomery County are organized for collective bargaining. The City has another bargaining unit, Fire/Paramedics comprised of 9 employees. That bargaining unit has settled its contract for the next three years which provides, among other things, for wage adjustments of 3.5% effective 7-1-07 and 3% for each of the next two years. The City and its police employees have voluntarily settled their contract differences for the last several years. They are completing the final year of a 3 year contract. Wage adjustments for the past 5 years have averaged 2.95%. Sergeants and Detectives received a 3% wage increase for the current year, patrolmen and the other employees received a 2.5% wage adjustment.

## IMPASSE ISSUE

The issue for recommendation is **Wages**.

## WAGES

**Current Contract.** The parties' contract contains the following wage schedule:

### Appendix A

Sergeant/Detective	\$16.97
Senior Patrolman	\$16.47
Master Patrolman	\$15.85
Patrolman	\$15.30
Part-time Reserve	\$10.13
Records Supervisor	\$12.81
Records Employee	\$12.08
(Including current part-time)	
Records Part-time	\$8.87

Although the contract does not provide for any automatic movement through the ranks, the patrol officers have moved fairly regularly through the ranks from Patrolman to Master Patrolman etc. This has been less true in recent years and the patrol employees do not move through the ranks as before.

**Union Proposal.** The Union proposes a general wage increase of 7% on 7-1-2007. In support of its wage proposal, the Union utilized a comparability grouping of southwestern Iowa

communities including Perry, Creston, Denison, Atlantic, Norwalk, Centerville, Clarinda, Shenandoah and Glenwood. When comparing similar employees in these communities with Red Oak employees, the Union drew the following conclusions: That beginning police pay in Red Oak at \$15.30 is toward the bottom of the group which averaged \$15.72 for beginning pay, that Red Oak maximum pay for police at \$15.30 was \$1.54 below the maximum of \$16.64, that the records secretary in Red Oak at \$12.08 was near the bottom of the grouping and that maximum Records Secretary pay in Red Oak at \$12.81 only surpasses such pay in Atlantic, Centerville and Clarinda. A 7% adjustment would put the beginning police pay at \$16.37, slightly above the average but still below the average for maximum pay. Even with a 7% wage adjustment, the Red Oak employees would find themselves below the average wages in comparable communities.

**City Proposal.** The City proposes a wage increase of 2.5% effective 7-1-2007. In support of its proposal, the City notes that, similar to most other rural Iowa communities, the City of Red Oak is experiencing decreasing population. The City's assessed valuation has also experienced a decline from \$116,764,304 in 2002 to 114,914,097 in 2006 (-1.6%). The City has also lost revenues (some \$128,000) and recently made the decision to pay for its dispatching contract with Montgomery County (\$86,642/year) with local option sales tax revenues rather from the general fund. It is not in a position to fund a 7% wage asking. The City noted that wages in southwestern Iowa communities tended to be less than in other parts of the state. It used a larger comparability group than did the Union consisting of 17 other Iowa communities of similar population located throughout the state of Iowa (Creston, Denison, Atlantic, Oelwein, Nevada, Estherville, Hiawatha, Maquoketa, Independence, Centerville, Algona, Clarinda, Shenandoah, Glenwood, Harlan, Winterset and Osceola). It only compared the position of police officer, noting that the duties and responsibilities of the other jobs made such comparisons of dubious value. It noted that its data indicated average starting salary for police officers was \$15.40 compared to Red Oak's \$15.30, that top salary in Red Oak is \$16.47 compared with an average of \$17.86. The City also used a smaller comparison grouping consisting of the communities of Atlantic, Glenwood, Creston, Denison, Harlan, Osceola, Centerville, Shenandoah and Clarinda. Comparisons with these communities indicated that Red Oak officers starting wage at \$15.30 was just below the average of \$15.35 and that top officer wage in Red Oak at \$16.47 was below the average top wage of \$17.32. The City offered settlement data which indicated that wage settlements among the cities in its larger comparability group averaged 3.02%, ranging from a high in Oelwein at 3.7% to a low in Clarinda at 0%. Most were in the 3-3.5% range.

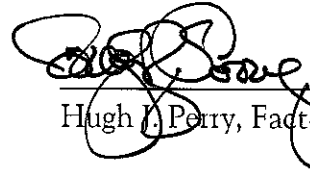
**Discussion.** The data suggests that a starting patrolman in Red Oak is paid somewhat less than his/her counterpart in other comparable communities, however, there are just 2 employees in this category in Red Oak. The master patrolmen and senior patrolmen are compensated more favorably. While the contract does not provide for systematic progression up the pay schedule, it

appears that the police officers have, at least in the past, moved up the pay grades. Although the issue of movement through the patrol classes is not before me for recommendation, I would strongly encourage the parties in next year's bargaining to attempt to negotiate some criteria for systematic movement through the various pay grades in the parties' wage schedule. Such would minimize the possibility of favoritism or feelings of futility in matters of career advancement. The data presented suggests that wages for most similar employees are being adjusted from 3-3.5% for the next contract year. The City's fire bargaining unit has settled for a 3.5% wage increase effective 7-1-2007 for the first year of a 3 year contract. The Union's wage asking of 7% for this bargaining year is nearly 2 times greater than the highest settlements elsewhere. The data does not support such an asking and I am not persuaded that Union has made a compelling argument for such an increase, especially in light of the City's financial concerns.

### RECOMMENDATION

Based upon the data presented and arguments made, I recommend that the wages of these employees be increased by 3.5% for the contract effective 7-1-2007 to 6-30-2008.

Signed this 15<sup>th</sup> day of May, 2007

  
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Hugh J. Perry, Fact-finder

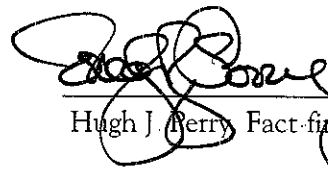
### CERTIFICATE OF SERVICE

I certify that on the 15<sup>th</sup> day of May, 2007, I served the foregoing Recommendation of Fact-finder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Jack Lipovac  
HR One Source  
5619 86<sup>th</sup> Street Suite 600  
Johnston, IA 50131

Mike Stanfill  
Teamsters 238  
2425 Delaware  
Des Moines, IA 50317

I further certify that on the 15<sup>th</sup> day of May, 2007, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, IA 50319.

  
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Hugh J. Perry, Fact-finder